

Hans Helmerich to retire from CEO post at Helmerich & Payne Inc.

**SUSAN HYLTON World Business Writer | Posted: Thursday, August 22, 2013
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For the first time in the 93-year history of Helmerich & Payne Inc., a Helmerich will not be at the helm of the Tulsa-based land and offshore drilling business by early next year.

Hans Helmerich, the longtime chairman and CEO, will retire and be succeeded by Chief Operating Officer John Lindsay, the company announced Wednesday.

Helmerich, whose grandfather Walt Helmerich founded the company in 1920, will step down at the conclusion of the annual shareholders meeting on March 5, according to a company news release. He will remain chairman of the board and hold a consultant role for three years.

"This is part of a plan I initiated with the Board over four years ago," Helmerich said in a statement. "It matches a personal goal of serving 25 years as the Company's CEO and then transitioning into another role. I am honored the board has asked me to remain as Chairman. I look forward to having additional time to pursue family and personal interests.

"I am confident John Lindsay will do a great job as CEO and that he and the management team will lead the Company in an exemplary manner."

Helmerich, 54, said H&P is positioned for a smooth leadership transition and that he has never been more confident in the company's future.

"That assurance is rooted in the conviction that we have the right people in the right place to drive our future success," he said in a letter to employees.

Lindsay said in a statement that Hans' continued role as chairman will be invaluable.

"We have an excellent and experienced leadership team and the best employees in the business and I'm excited about the future," Lindsay said. "Going forward, we will build

upon the solid foundation that Hans, his father and grandfather established in a constant endeavor to provide value to shareholders and performance to customers."

John Zeglis, H&P's longest-serving independent director, said Helmerich's leadership style is rooted in his personal values.

"For nearly 25 years, we have watched Hans lead his team in creating strategies that steadily enlarged the company's earnings and, remarkably, at the same time, multiplied market share until H&P became the nation's leading land driller," Zeglis said.

Lindsay, 52, joined the company 26 years ago as a floorhand on a rig and worked his way up to drilling engineer. He has served in many other positions, including executive vice president of the company's U.S. and international operations. Last year he was promoted to president and COO.

Helmerich will not receive severance pay in connection with his retirement, the company said.

Fred Russell, principal of Fredric E. Russell Investment Management Co., has been an observer of H&P through the years.

"It's a different era," Russell said, complimenting the family's cautious view of business and success. "I think they were willing to take risks, but they had researched the dimensions and repercussions of that risk."

Russell said H&P was able to survive the tough years because its leaders had a realistic view of life and business, and because they were not greedy.

"They didn't go overboard as many competitors did," he said.

According to company statistics, H&P is one of the major land and offshore drilling contractors in the world. Assets include 300 domestic land rigs, 29 international land rigs and nine offshore platform rigs.

H&P designed 300 of its 329 land rigs under the trademark FlexRig, a technologically advanced land rig capable of drilling to 18,000 feet.

In the letter to employees, Helmerich noted the key role the FlexRig has played and will play in the future.

"The energy revolution taking place in the U.S. was made possible by our customers having the right tools to do the job, and the FlexRig has been the leading tool of choice for over 10 years," he said. "Drilling activity will continue for years to come as they drill

tens of thousands of known locations, and additional opportunities will emerge both here and in international markets."

25-year comparison

	1987	2012
Number of rigs	69	320
Number of employees	1,026	9,429
Assets*	\$571	\$5,721
Revenue*	\$159	\$3,152
Net income*	\$22	\$581

** In millions*

Helmerich & Payne Inc. highlights

1920: Walt Helmerich founds the company by purchasing his first drilling rig

1926: Walt Helmerich and Bill Payne join forces

1936: Payne departs to form his own company

1950: Walt Helmerich's son, Walter Helmerich III, joins the company

1958: International operations begin

1959: H&P begins trading on the American Stock Exchange

1960: Walter Helmerich III becomes H&P president

1963: H&P begins trading on the New York Stock Exchange

1979: H&P's stock is ranked as one of the top 10 performers of the decade

1980s: H&P shifts attention to offshore platform rigs as land drilling activity declines

1981: Hans Helmerich joins the company

1987: Hans Helmerich becomes president and is elected to H&P's board of directors;
John Lindsay joins the company

1989: Hans Helmerich becomes CEO

1998: The industry's first high-efficiency drilling unit, the FlexRig, is designed and built

2002: Spinoff transaction of the E&P division into Cimarex Energy Co. is executed

2005: First set of term contracts to build and operate AC Drive FlexRigs is secured

2012: Hans Helmerich becomes chairman; Lindsay becomes president and chief operating officer

Wednesday: Hans Helmerich announces he will step down as CEO in March; Lindsay will succeed him

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Original Print Headline: Helmerich to step down as H&P CEO